

## TRENDS IN NET OVERSEAS MIGRATION: SOUTH AUSTRALIA

### INTRODUCTION

Population change in each state and territory is the combined result of net overseas migration, natural increase (births minus deaths), and net interstate migration (population change through the movement of people from one state or territory to another). All three components of population change contribute, in varying degrees, to the growth, size and structure of the population in each jurisdiction.

Net overseas migration (NOM) has emerged as a highly topical, and somewhat contentious, issue in recent years, particularly within the context of the Sustainable Population Strategy for Australia and the recent impact of international students on population counts. Variations in the number and characteristics of people arriving and departing the country impact on policy decisions and future planning at all levels of government, and on issues such as skilled and unskilled labour supply; national income from the educational services provided to international students; housing availability; cultural diversity; and social cohesion.

This article presents a brief national view of overseas migration, followed by an analysis for South Australia (SA). It uses the most recent data to examine changing patterns in the characteristics of overseas migrants and their contribution to NOM in SA.

#### Net Overseas Migration (NOM): Definition

Net overseas migration is the net gain or loss of population through immigration to Australia and emigration from Australia. It is based on an international traveller's duration of stay being in or out of Australia for 12 months or more. It is the difference between the number of incoming international travellers who stay in Australia for 12 months or more, who **are not** currently counted within the population, and are then added to the population (NOM arrivals); and the number of outgoing international travellers (Australian residents and long-term visitors to Australia) who leave Australia for 12 months or more, who **are** currently counted within the population, and are then subtracted from the population (NOM departures).

Under the current method for estimating final net overseas migration, this term is based on a traveller's **actual** duration of stay or absence using the '12/16 month rule'. Preliminary NOM estimates are modelled on patterns of traveller behaviours observed in final NOM estimates for the same period one year earlier. For further information, see [Migration Australia](#) (cat. no. 3412.0).

The status of quarterly NOM data changes over time from **preliminary** to **final** as new data become available. An individual's actual true travel behaviour and associated characteristics are only available from final NOM data, as these can only be accurately recorded at the end of the 16 month reference period following a traveller's initial border crossing. For further information, see [Australian Demographic Statistics](#) (cat. no. 3101.0).

In this article, the data relating to the 2009 calendar year are final data, whereas those relating to the 2010 calendar year are preliminary. All NOM data used in this article are based on the '12/16 month rule' methodology and are sourced from the ABS Travellers' Characteristics Database.

### The National View

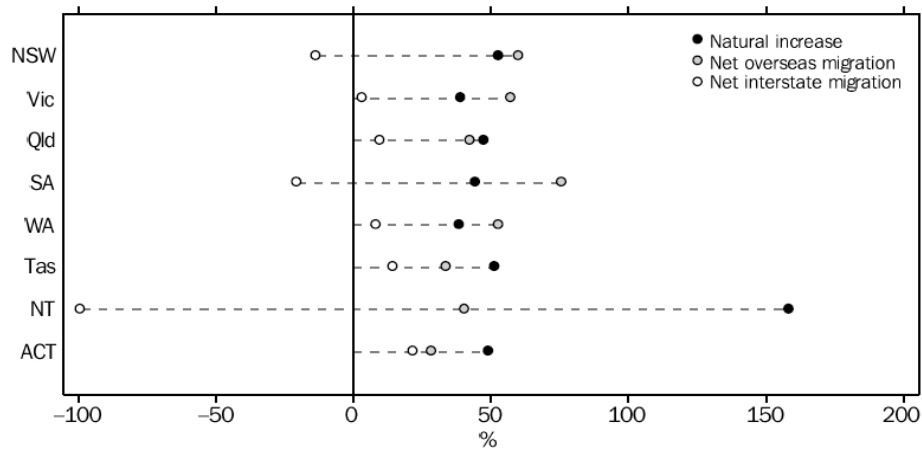
While natural increase has remained relatively stable in recent years, NOM has been far more volatile. The past decade has seen significant fluctuation in immigration estimates due to a number of factors including recent increases in temporary migrants; changing levels of demand for skilled migrants; the relative health of Australia's economy during the global financial crisis; and improvements in methodology to measure the travel behaviour of temporary migrants more effectively.

In recent years, NOM has accounted for over half of the nation's population growth. Preliminary NOM estimates for 2010 added 171,100 persons to Australia's population, representing 54% of the nation's total population growth for the year, with natural increase accounting for the remaining 46%. In 2010, Australia's total population grew by 317,100 persons or 1.4%.

In 2010, NOM contributed the greatest number of people to the most populous states: NSW with a net of 51,100 persons, followed by Victoria (48,000) and Queensland (31,600). The NT received the smallest number with 690 persons.

While all states and territories experienced positive NOM in 2010, it was the main component of population growth in SA (76%), NSW (60%), Victoria (57%), and WA (53%).

**Fig 1. Population components, Proportion of total growth(a), 2010 (b)(c)**



(a) Each population component as a proportion of a state's or territory's population growth for the calendar year 2010.

(b) These estimates use the '12/16 month rule' methodology for calculating NOM.

(c) Estimates for 2010 are preliminary.

Source: Australian Demographic Statistics (cat. no. 3101.0).

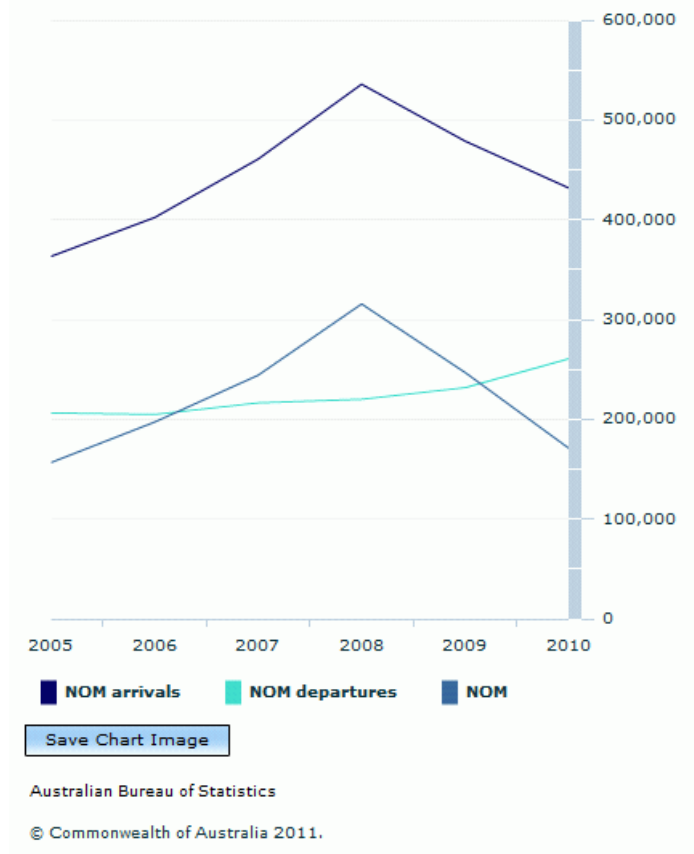
### **Arrivals and Departures**

At the national level, NOM is traditionally positive, with more arrivals than departures contributing to a net increase in Australia's population each year. Over the five years from 2005 to 2010, NOM in Australia increased by 9% (14,300 persons), with arrivals increasing by 19% (68,500 persons) and departures increasing by 26% (54,200 persons).

In 2010, however, NOM declined for the second consecutive year after strong growth for the previous three, with arrivals to Australia dropping by 10% (-46,800 persons) from the previous year and departures increasing by 12% (29,000 persons). The result was an overall decline in NOM of 31%, or 75,800 persons, from the previous year, significantly slowing the five year growth rate.

This decline in net overseas migration to Australia is mainly driven by the temporary visa holders who arrived in earlier years and who are now starting to depart the country in larger numbers. While temporary visa holders, and in particular international students, have been a key driver in the growth of NOM in the three years to 2008, their departures are a major impact on the recent sharp decline in NOM. This reflects recent policy changes restricting eligibility for temporary visa entrants who apply for permanent residency whilst onshore (Australian Productivity Commission 2010, Ch 4, p.21).

Fig 2 Components of Net Overseas Migration(a)(b) - Australia.



**Footnote(s):** (a)These estimates use the '12-16 month rule' methodology for calculating NOM (b)Estimates for 2010 are preliminary

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

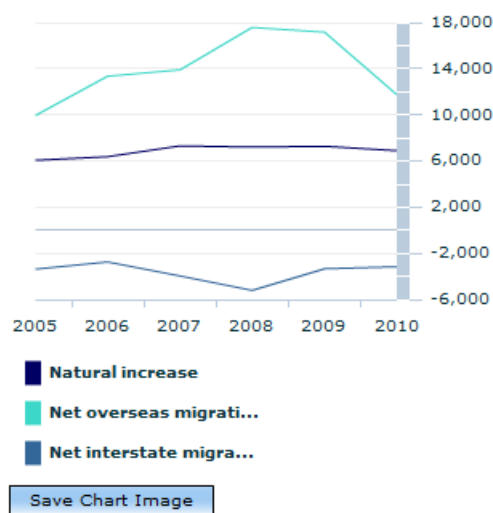
## SOUTH AUSTRALIA

### Overseas Migration and Population Growth

In 2010, net overseas migration remained the main component of population growth in SA despite declining for the second consecutive year in line with the national trend. Preliminary NOM estimates for 2010 added over 11,700 persons to SA's population, representing 7% of national NOM and 76% of the state's total population growth (15,500 persons) for the year. Among the states and territories, SA had the largest proportional population growth from NOM in 2010.

Accounting for the remainder of SA's total population growth in 2010 was natural increase, which added 6,900 to the state's population, and net interstate migration, which removed 3,200 persons.

**Fig 3 Population Components(a)(b), SA, 2005-2010**



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**Footnote(s):** (a) These estimates use the '12/16 month rule' methodology for calculating NOM. (b) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0); ABS Traveller Characteristics Database, data available on request

## Arrivals and Departures

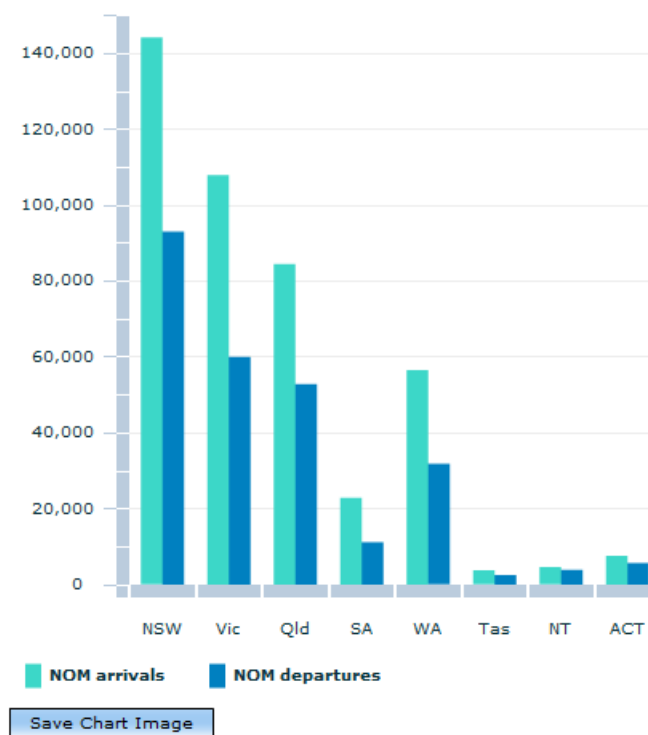
Over the five year period 2005 to 2010, SA recorded the third highest growth rate in NOM after the ACT and Victoria, with an increase of 18% (1,800 persons), compared with 9% at the national level. During this period, arrivals to SA increased by 15% (3,000 persons) while departures increased by 12% (1,200 persons).

In 2010, there were 3,900 fewer (-15%) overseas arrivals in SA than in the previous year. However, overseas departures continued to increase with 1,500 more (16%) departures than in the previous year. The result was an overall decline in NOM of 32% (-5,400) from 2009, compared with the national decline of 31%.

## Overseas Migration Flows

In 2010, there were 22,900 arrivals to, and 11,200 departures from, SA. Thus, the combined flows of overseas migration (arrivals and departures) was 34,100.

Fig 4 Overseas Migration Flows, State & Territories - 2010 (a)



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**Footnote(s):** (a) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0)

To assess the effect of these gross overseas migration flows, it is useful to consider them as a proportion of the total population. In SA, overseas migration had a relatively low effect on population turnover, accounting for only 2.1% of the total population in 2010, compared with 3.1% for Australia. Of the jurisdictions, only Tasmania recorded a lower level of population turnover from overseas migration.

Fig 5 Population Turnover(a) from Overseas Migration, States & Territories, 2010(b)(c)



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**Footnote(s):** (a) Gross overseas flows as a proportion of a state or territory's total population at 31 December 2010. (b) These estimates use the "12/16 month rule" methodology for calculating NOM. (c) Estimates for 2010 are preliminary.

**Source(s):** Australian Demographic Statistics (cat. no. 3101.0).

## The Travellers' Characteristics Database

With the introduction of the '12/16 month rule' methodology for estimating NOM, the ABS also developed an analytical data set called the Travellers' Characteristics Database. These improvements allow the derivation of an individual's actual true travel behaviour (using final NOM data) and record certain characteristics of travellers who have contributed to NOM whether they are NOM arrivals or departures. The database provides for additional analysis on final NOM data that was not previously available.

The following analysis of NOM by major groupings and visa types has used data extracted from the Travellers' Characteristics Database. All data from the database are based on the '12/16 month rule' methodology.

Factors that should be taken into account when analysing data from the Travellers' Characteristics Database include the impact of global and regional events, legislative changes in Australia and abroad, and economic activity, all of which can change traveller behaviour.

### Major traveller groups

In recent years, four major traveller groups have impacted on NOM estimates for SA: temporary visa holders; permanent visa holders; New Zealand citizens; and Australian citizens. Other traveller groups, having a smaller impact, include residents returning (i.e. non-Australian citizens who are permanent residents) and people travelling with onshore visas or with visa unknown.

Fig 6 Net Overseas Migration(a), Major Groupings(b), SA, 2004-2009



Select a different graph

Fig 6.1 NOM(a), Major groupings(b), SA

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**Footnote(s):** (a)These estimates use the '12/16 month rule' methodology for calculating NOM. (b)Does not include onshore and other visa types. The visa category information in this table represents the visa at the time of a traveller's specific movement. It is the specific movement that has been used to calculate NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

Over the five years from 2004 to 2009, there was a 72% net increase in the number of temporary visa holders contributing

to NOM in SA, from 5,100 to 8,700 persons. While this was higher than growth at the national level (62%), it was below that recorded in most other jurisdictions except the ACT (67%), NSW (35%) and Tasmania (1%). In 2009, the net figure for SA decreased 11% (-1,100 persons) from the previous year, slowing the five year growth rate in this jurisdiction.

The net contribution of permanent visa holders also increased significantly over the five year period, approximately doubling from 3,700 to 7,700 persons. This net increase (109%) in permanent visa holders was much higher than the national increase (23%) and across each of the other states and territories.

Over the same period, the net number of New Zealand citizens increased by 40% (over 120 persons) in SA. This was much higher than growth at the national level (14%), but lower than that recorded in most other jurisdictions except Victoria (19%), Queensland (13%) and NSW (-18%).

Traditionally, Australian citizens have a net negative input to NOM as more Australians depart each year than return. However, the combined effect of an increase in arrivals and a decrease in departures saw the contribution of Australian citizens to the SA population change, from a net loss of 1,500 persons in 2004, to a net gain of 670 persons in 2009.

## Major Groupings and Visa Type

The following section provides a further breakdown of the major groupings and visa types that contributed to NOM in SA during 2009, the most recent year for which the data are available.

### MAJOR GROUPINGS AND VISA TYPE (a), % of Total NOM, States & Territories, 2009

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Australia
<b>Temporary visas</b>	<b>63.7</b>	<b>63.7</b>	<b>56.9</b>	<b>50.9</b>	<b>53.4</b>	<b>47.6</b>	<b>55.5</b>	<b>67.6</b>	<b>60.0</b>
VET sector	15.5	23.4	15.0	14.4	10.2	5.1	5.7	9.0	16.7
Higher education sector	18.7	19.5	12.0	19.8	10.3	21.3	8.5	27.6	16.7
Student other	11.0	7.7	7.7	5.3	4.8	4.7	3.6	7.1	8.0
<b>Total students</b>	<b>45.2</b>	<b>50.7</b>	<b>34.7</b>	<b>39.4</b>	<b>25.2</b>	<b>31.1</b>	<b>17.8</b>	<b>43.7</b>	<b>41.4</b>
Business long stay (subclass 457)	2.5	4.3	8.4	6.7	14.5	8.6	29.5	11.8	6.4
Visitor(b)	8.4	7.8	8.0	5.1	9.6	9.1	8.8	10.3	8.1
Working holiday	13.6	4.7	9.0	2.5	8.3	1.8	5.2	4.8	8.4
Other temporary visas	-6.1	-3.7	-3.1	-2.9	-4.2	-2.9	-5.8	-3.1	-4.3
<b>Permanent visas</b>	<b>37.1</b>	<b>32.6</b>	<b>23.2</b>	<b>45.0</b>	<b>35.2</b>	<b>43.1</b>	<b>41.0</b>	<b>36.7</b>	<b>33.5</b>
Family	18.4	13.0	9.4	9.2	10.1	14.4	19.4	13.1	13.2
Skill	12.9	15.2	10.9	29.5	20.4	14.5	14.5	19.0	15.4
Special eligibility & humanitarian	5.9	4.5	2.9	6.3	4.7	14.3	7.1	4.6	4.8
<b>New Zealand citizen</b>	<b>5.6</b>	<b>6.2</b>	<b>18.1</b>	<b>2.5</b>	<b>9.0</b>	<b>5.3</b>	<b>4.7</b>	<b>4.1</b>	<b>8.4</b>
<b>Australian citizen</b>	<b>-2.5</b>	<b>-0.1</b>	<b>1.8</b>	<b>3.9</b>	<b>0.2</b>	<b>4.7</b>	<b>6.3</b>	<b>-6.7</b>	<b>-0.1</b>
<b>Other (c)</b>	<b>-4.0</b>	<b>-2.5</b>	<b>-0.1</b>	<b>-2.2</b>	<b>2.2</b>	<b>-0.7</b>	<b>-7.5</b>	<b>-1.7</b>	<b>-1.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) The visa category information in this table represents the number of visas based on the visa type at the time of a traveller's specific movement. It is this specific movement that has been used to calculate NOM. Therefore, the number of visas in this table should not be confused with information on the number of visas granted by DIAC.

(b) Visitor visas include tourist, business visitors, medical treatment and other.

(c) Includes residents returning (i.e. non Australian citizens who are permanent residents), onshore visas and visa unknown.

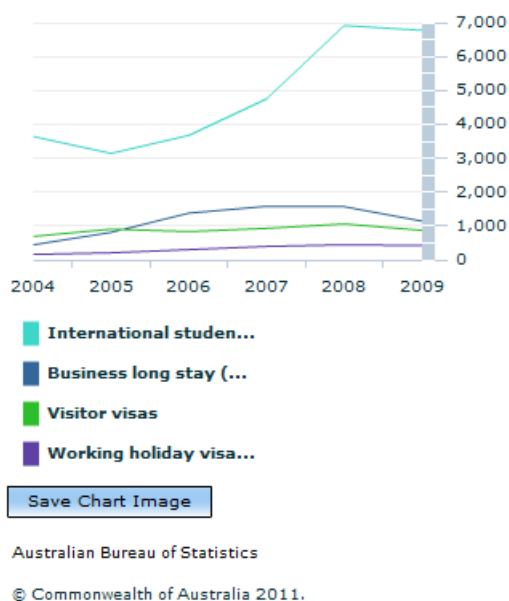
Source: ABS Traveller Characteristics Database, data available on request.

## Temporary Visas

In 2009, temporary visa holders made the largest net contribution to NOM in SA, with 51% of the total NOM figure for the year. This was lower than for Australia as a whole (60%) and for most other jurisdictions except Tasmania (48%). The number of temporary visa holders arriving in SA during 2009 was nearly 13,000 persons, representing 48% of all arrivals, while the number departing was over 4,200, or 44% of all departures. This resulted in over 8,700 additional temporary visa holders contributing to the SA population.

Temporary visas issued in Australia fall into several categories, the principal ones being International student; Business long stay (457); Visitor and Working holiday visas.

**Fig 7 NOM by Temporary Visa Types(a), SA, 2004-2009**



**Footnote(s):** (a)These estimates use the '12/16 month rule' methodology for calculating NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

### **International Students**

Over the five year period from 2004 to 2009, there was an 86% (3,100 persons) increase in the net number of international students contributing to NOM in SA. This growth in student NOM is mainly attributed to the large disparity between NOM arrivals and NOM departures, which, in part, reflects the time lag effect of a student's course duration. The disparity could also reflect the number of students who changed their visa and residency status whilst onshore.

There was a slight decline (-2%) in student NOM for SA in 2009. Despite this, international students made up the largest group of temporary visa holders contributing to NOM in SA in 2009, adding a net 6,800 to the state's population, or 39% of the total NOM figure. This was similar to the proportion recorded at the national level (41%) and higher than recorded in other jurisdictions, except Victoria (51%), NSW (45%) and the ACT (44%).

Within this group, international students travelling to SA on higher education visas formed the largest component, with a net 3,400 students representing 20% of total NOM in 2009. The vocational educational and training sector represented 14% of total NOM (2,500 students), while all other student visas accounted for 5% (900 students).

### **Business Long Stay Visas**

Between 2004 and 2009, the net number of temporary business visas (otherwise known as 457 visas) contributing to SA's population more than doubled (up by 154% or 700 persons). This growth in Business 457 visas most likely reflects Australia's relatively buoyant economy over recent years with low unemployment and recognised labour shortages in specific occupations.

Temporary business entrants can stay in Australia up to four years and can also apply for other visas during their stay. They may also obtain permanent residency under the Employer Nomination Scheme, the Regional Sponsored Migration Scheme, a Labour Agreement, or the Skilled Independent visa program. The sharp decline (-27%) in business 457 visa holders for SA in 2009 may, in part, reflect the economic uncertainty faced by employers during the Global Financial Crisis.

People entering with business long stay visas in 2009 made a much smaller contribution to NOM in SA than international students. This visa group added over 1,100 persons to SA's population, accounting for 7% of total NOM figure for the year. While this was similar to representation at the national level (6%), it was lower than that recorded in most other jurisdictions except NSW (2%) and Victoria (4%).

### **Visitor Visas**

The net number of long-term visitors (staying 12 months or more) contributing to the South Australian population increased over the five years, with 180 (25%) more visitors in 2009 than in 2004. In 2009, this group contributed 880

persons to SA's population, representing 5% of total NOM for the year. This was lower than representation at the national level (8%) and in each of the other jurisdictions. Of this group, 72% were tourists, 11% were business visitors, 3% were sponsored family visitors, and the remaining 14% were other visitors.

### Working Holiday Visas

Working holiday-makers are permitted to stay for a period of up to 12 months from the date of initial entry. However, many of these visa holders stay more than 12 months and therefore contribute to NOM estimates. This includes people who have undertaken seasonal work in regional Australia and become eligible to apply for a second working holiday visa, as well as those who have applied for, and been granted, a different visa whilst onshore.

Between 2004 and 2009, the net number of working holiday-makers contributing to NOM in SA more than doubled (up 153% or 260 persons). This growth in working holiday visa holders may relate to Australia's relatively strong economic standing during recent global financial events, increasing the appeal for international travellers to visit and work temporarily in SA.

In 2009, working holiday-makers added a net 430 persons to the SA population, representing only 3% of total NOM for the year. This was lower than representation at the national level (8%) and in each of the other states and territories except Tasmania (2%).

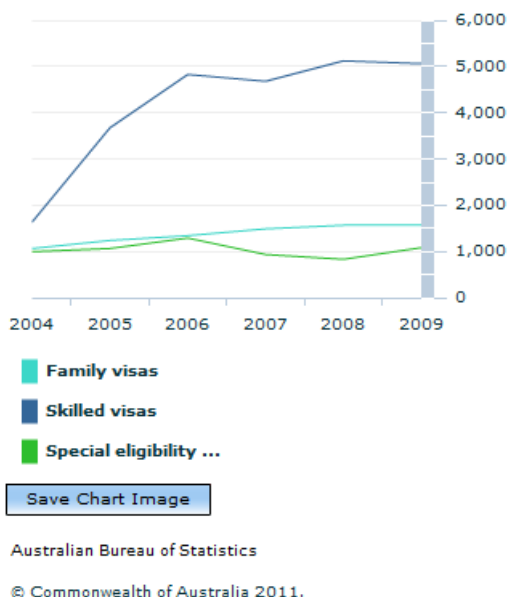
### Permanent Visas

Permanent visa holders made a slightly smaller contribution to total NOM in SA in 2009 than temporary visa holders (45% and 51% respectively). However, this was higher than the proportion of permanent visas at the national level (34%) and higher than that recorded in each of the other jurisdictions.

In 2009, the number of permanent visa holders arriving in SA was over 8,100 persons, representing 30% of all arrivals, while the number departing was 420 persons, or 4% of all departures. This resulted in over 7,700 permanent visa holders being added to SA's population.

Permanent visas are grouped under three broad categories: Family visas; Skilled visas; and Special eligibility and humanitarian visas.

**Fig 8 NOM by Permanent Visa Types(a), SA, 2004-2009**



**Footnote(s):** (a) These estimates use the '12/16 month rule' methodology for calculating NOM.

**Source(s):** ABS Traveller Characteristics Database, data available on request.

### Family Visas

Over the five years to 2009, there was a 47% (500 persons) increase in the net number of family visa holders (granted offshore) contributing to SA's population. In 2009, this visa group made a smaller contribution (1,600 persons or 9% of total NOM) to the South Australian population than permanent skilled visa holders. This proportion was lower than for Australia as a whole (13%) and for all other jurisdictions except Queensland (also 9%).

## **Skilled Visas**

For the five years to 2009, the net number of permanent skilled visa holders (granted offshore) contributing to NOM in SA more than tripled (up by 209% or 3,400 persons), reflecting the increased policy focus on skilled migration since the late 1990s as well as the labour shortages associated with Australia's relatively strong economy.

As with business 457 visa holders, however, the economic uncertainty associated with the Global Financial Crisis may have contributed to the slight decline (-1%) in permanent skilled visa holders in SA during 2009. Despite this, people entering with skilled visas made up the largest group of permanent visa holders contributing to NOM in SA in 2009, providing a net gain of 5,100 persons, or 29% of total NOM, for the year. This proportion was much higher than for Australia as a whole (15%) and higher than in each of the other jurisdictions.

## **Special Eligibility and Humanitarian Visas**

Special eligibility visas relate mainly to former citizens and residents requiring special visas to enter the country. This visa category contains very small numbers and has therefore been combined with the Humanitarian visa category, managed by the Australian Department of Immigration and Citizenship. The offshore resettlement component of the Humanitarian Program has two categories: refugees and a special humanitarian program.

Between 2004 and 2009, the net number of special eligibility and humanitarian visa holders (granted offshore) contributing to NOM in SA increased by 9%, or 90 persons. This group made a net contribution of 1,100 persons to the state's population in 2009, or 6% of total NOM for the year, which was consistent with representation at the national level (5%) and in most other states and territories. Only Tasmania recorded a significantly higher proportion in this group of visa holders (14%).

## **New Zealand Citizens**

In comparison with temporary and permanent visa entrants, New Zealand citizens made a relatively small contribution to total NOM for SA in 2009, representing just 2% of total NOM. This was lower than their proportional representation at the national level (8%) and in each of the other jurisdictions. With 760 New Zealand citizens arriving in SA in 2009 (3% of all arrivals), and 330 departing (3% of all departures), this group contributed 430 persons to the state's population.

## **Australian Citizens**

Among the major NOM groupings, Australian citizens traditionally make a negative contribution to NOM. In SA, they made a small positive contribution (4%) in 2009, adding just under 670 people to the state's population. The number of Australian citizens returning to SA in 2009 was nearly 4,300, representing 16% of all arrivals, while the number of Australian citizens departing was almost 3,600, or 37% of all departures. In comparison, the contribution of Australian citizens to national NOM was -0.1%, although most states and territories recorded positive contributions from Australian citizens and only NSW, Victoria and the ACT recorded negative contributions.

## **CONCLUSION**

In SA, NOM has been the main driver of population growth in recent years, accounting for over two-thirds of the state's population growth in the five years to 2010.

Underpinning much of the recent growth in NOM was a large increase in the number of international students arriving in the state between 2005 and 2008, reflecting Australia's wider engagement in the global economy and its increasing provision of education services to international students.

This growth in student NOM may also be attributed to the disparity between NOM arrivals and NOM departures, reflecting time lags in course duration, and the propensity for students to change their visa and residency status whilst onshore. Of the jurisdictions, SA had the fourth highest proportional representation of international students in its total NOM figures for 2009.

With skilled migration being a key focus of national immigration policy since the late 1990s, the net contribution of permanent skilled visa holders to the state's population in 2009 was relatively high compared with other visa groups. Of these, permanent skilled visas ranked second highest in SA in terms of their contribution to NOM. Moreover, the proportional representation of permanent skilled visa holders in SA's NOM figures in 2009 was the highest among the states and territories.

Significantly slowing the five year growth rate in total NOM, estimates for 2009 and 2010 show a sharp decline in net overseas migration to SA. This was driven by a combination of a decrease in arrivals and an increase in departures for temporary visa and permanent skilled visa holders.

Despite this recent decline, overseas migration has contributed significantly to SA's population growth, with international

students and permanent skilled visa holders making the largest net contributions to the size and structure of the state's total population.

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